



## North Carolina Department of Health and Human Services

Pat McCrory  
Governor

Aldona Z. Wos, M.D.  
Ambassador (Ret.)  
Secretary DHHS

September 22, 2013

Jackie Glaze  
Associate Regional Administrator  
Division of Medicaid  
Centers for Medicare and Medicaid Services  
Region IV  
Atlanta Federal Center  
61 Forsyth Street, SW Suite 4T20  
Atlanta, GA 30303-8909

SUBJECT: State Plan Amendment  
Title XIX, Social Security Act  
Transmittal #2013-029

Dear Ms. Glaze:

Please find attached an amendment for North Carolina's State Plan under Title XIX of the Social Security Act for the Medical Assistance Program. The purpose of this state plan amendment is to freeze the rates for Laboratory and X-ray Services.

Please find enclosed an amendment to the affected pages are Attachment 4.19-B, Section 3, Page 1 and Attachment 4.19-B, Supplemental 3, Page 1b.

This state plan change implements Session Law 2013 - 360, Section 12H.13.(b) which requires that rates for Laboratory and X-ray Services be frozen at the rate in effect June 30, 2013, for State fiscal years 2014 and 2015.

This amendment is effective August 1, 2013.

Your approval of this state plan amendment is requested. If you have any questions or concerns, please contact Teresa Smith or me at 919-855-4116.

Sincerely,

A handwritten signature in black ink, appearing to read "Aldona Z. Wos".

Aldona Z. Wos, M.D.

Enclosures

[www.ncdhhs.gov](http://www.ncdhhs.gov)  
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MEDICAL ASSISTANCE  
State: NORTH CAROLINA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICE

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3. Other Laboratory and X-ray Services

Fees for independent laboratory services shall be the lower of the submitted charge or the appropriate fee from the fee schedule in effect on July 1, 1990.

- a. Annual fees are increased each January 1, based on the forecast of the Gross National Product (GNP) implicit price deflator, but not to exceed the percentage increase granted by the N.C. State Legislature and not to exceed the Medicare maximum fees.
- b. Fees for new services are established based on fees for similar existing services. If there are no similar services the fee is set at the Medicare maximum fee. If there is no Medicare fee available, the fee is established at 60 percent of charges until a Medicare fee is established.

The above methodology shall also apply to laboratory services paid to hospital outpatient facilities, physicians, and any provider supplying outpatient laboratory services.

Services reimbursed under the above methodology are not subject to cost settlement.

Notwithstanding any other provision, if specified, these rates will be adjusted as shown on Attachment 4.19-B, Supplement 3, Page 1b of the State Plan.

State Plan Under Title XIX of the Social Security Act  
Medical Assistance Program  
State: North Carolina

Payments for Medical and Remedial Care and Services

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Payment for Independent Laboratory and X-Ray:

SFY 2005 and 2006 – No rate increase from the June 30, 2005 rate for all Medicaid private and public providers with the following exceptions: federally qualified health clinics, rural health centers, state institutions, outpatient hospital, pharmacy and the non-inflationary components of the case-mix reimbursement system for nursing facilities.

SFY 2007 - Effective January 1, 2007 inflationary of .595% was applied.

SFY 2010 –The rates for SFY 2010 are frozen as of the rates in effect at July 1, 2009, except Medicaid rates may be adjusted downward in accordance with the current years downward adjustments to the Medicare fee schedule. Effective October 1, 2009, an overall negative rate adjustment of 4.90% was applied. There will be no further annual rate adjustment for SFY 2010.

SFY 2011 – The rates for SFY 2011 will be frozen at the rates in effect on June 30, 2010.

SFY 2012 – Rates will be frozen at the rate in effect on June 30, 2011. Effective November 1, 2011, existing rates are adjusted by a negative 2.66% for Independent Laboratories and 2.67% for X-Ray Services to yield a twelve (12) month two percent (2%) reduction in the nine (9) remaining months of this State Fiscal Year for all Medicaid providers with the following exception: North Carolina State Laboratory rates will remain frozen at the rate in effect on June 30, 2011. Rates for new codes will not include inflation beyond 2009.

SFY 2013 – Effective July 1, 2012, the rates will be adjusted such that they will equal 98% of the rate in effect July 1, 2011 for all Medicaid providers with the following exception: North Carolina State Laboratory rates will remain frozen at the rate in effect on June 30, 2011. There will be no further annual adjustments this state fiscal year. Rates for new codes will not include inflation beyond 2009.

SFY 2014 – Effective August 1, 2013, the rates are frozen as of the rate in effect at June 30, 2013. There will be no further annual adjustments this state fiscal year except that Medicaid rates may be adjusted downward in accordance with the current years downward adjustments to the Medicare fee schedule.

SFY 2015 – Effective July 1, 2014, the rates are frozen at the rate in effect as of June 30, 2014. There will be no further annual adjustments this state fiscal year except that Medicaid rates may be adjusted downward in accordance with the current years downward adjustments to the Medicare fee schedule.

Reference: Attachment 4.19-B, Section 3, page 1

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TN No: 13-029  
Supersedes  
TN No. 11-026

Approval Date: \_\_\_\_\_

Eff. Date: 08/01/13